

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

	X	
In re:	:	
	:	
THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,	:	PROMESA Title III
	:	
as representative of	:	Case No. 17-BK-3283 (LTS)
	:	
THE COMMONWEALTH OF PUERTO RICO <i>et al.</i> ,	:	(Jointly Administered)
	:	
Debtors. ¹	:	Re: Dkt. No. 9365
	X	

**DRA PARTIES' RESPONSE AND RESERVATION OF RIGHTS WITH RESPECT TO THE
INTERIM REPORT AND RECOMMENDATION OF THE MEDIATION TEAM**

COME NOW AmeriNational Community Services, LLC (hereafter the “Servicer”), as servicer for the GDB Debt Recovery Authority (the “DRA”), and Cantor-Katz Collateral Monitor LLC, a Delaware limited liability company which serves as the collateral monitor for Wilmington Trust, N.A. in connection with the new bonds issued by the DRA pursuant to the *Government Development Bank for Puerto Rico Debt Restructuring Act*, Act No. 109-2017, as amended by Act No. 147-2018 and the approved Qualifying Modification for the Government Development Bank for Puerto Rico² under Title VI of the *Puerto Rico Oversight, Management and Economic Stability Act* (the “Collateral Monitor” and with the Servicer, the “DRA Parties”), by and through the undersigned legal counsel, and respectfully

¹ The Debtors in these title III cases, along with each Debtor’s respective title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566(LTS)) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808), (iv) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5233-LTS) (Last Four Digits of Federal Tax ID: 3801).

² See Dkt. No. 270 of Civil Case No. 18-01561 (LTS).

submit this response and reservation of rights to the *Interim Report and Recommendation of the Mediation Team* (the “Interim Report”) [Dkt. No. 9365].

RESPONSE

1. The DRA Parties, which are responsible for the resolution of assets that exceed \$5.9 billion in principal across various Commonwealth-related entities, continue to support the efforts of the Mediation Team³ in the pending Title III cases and the mediation process. Recognizing that the Interim Report is, indeed, only interim in nature, the DRA Parties file this Response simply to reserve their rights to further respond and object upon reviewing the Amended Report.

2. In particular, while the DRA Parties did stipulate to the schedule in Exhibit 3 to the Interim Report, they are not a party to (and were never made aware of) the schedule set forth in Exhibit 2 to the Interim Report (regarding litigation related to the Revenue Bonds). The schedule in Exhibit 2 to the Interim Report likely addresses a number of topics related to HTA that are covered not only in the HTA Lift Stay Motion but also in the DRA Parties’ lift-stay motion (the “DRA Lift Stay Motion”) [Dkt. No. 7643]. Therefore, if the Court approves both schedules in their current forms, the DRA Parties could face significant prejudice in prosecuting their claims – including the DRA Lift Stay Motion – due to conflicting timeframes between the two schedules. This conflict could impact the DRA Parties’ rights with respect to both the DRA Lift Stay Motion and potential arguments regarding confirmation of a plan in both the Commonwealth and HTA Title III cases. The DRA Parties could suffer potentially meaningful economic and constitutional injury if unable to participate in litigation around these issues.⁴

3. To address this potential injury, the DRA Parties may move to intervene and participate in the HTA Lift Stay Motion litigation so that the Court may address the overlapping topics covered by

³ Capitalized terms used herein and otherwise not defined shall have the meaning ascribed to such term in the Interim Report.

⁴ The DRA Parties likewise note the Interim Report’s reference to “a further motion for relief from the automatic stay anticipated to be filed by holders, insurers, trustees, and/or fiscal agents of bonds issued by CCDA.” Interim Report at 6. As the DRA Parties hold \$142.8 million (in principal, exclusive of accrued interest) in CCDA obligations, they are similarly concerned about any decisions that could be made in such proceedings without receiving the opportunity to participate and be heard in the same.

the HTA Lift Stay Motion and the DRA Lift Stay Motion concurrently. The DRA Parties will work to address this issue with the parties and the Mediation Team.

4. Because the proposed orders are not final in nature, the DRA Parties need only reserve their rights to object further to any final report or final orders or file a motion to intervene in the HTA Lift Stay Motion litigation or take similar action at this time.

RESERVATION OF RIGHTS

5. The DRA Parties reserve all rights and remedies with respect to the Interim Report and Interim Orders, including but not limited to, the right to file additional submissions or objections with the Court before and/or after the filing of the Amended Report.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, today December 6, 2019.

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